

NEW MEXICO ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS



New Mexico is the proud home of the Albuquerque Clean Cities Coalition.

Overview

New Mexico does not have any formal incentives to encourage alternative fuel vehicles (AFVs) other than a lower sales tax for alternative fuels than the sales tax on gasoline. The Energy, Minerals, and Natural Resources Department (EMNRD) administers a Transportation Program which provides grant funds on a competitive basis for projects including alternative fuel conversion projects.

State Incentives

The Energy Conservation and Management Division of the EMNRD provides grant funds for projects that will reduce the overall energy demand and the consumption of petroleum products. EMNRD provides funding on a competitive basis to eligible applicants to conduct ride sharing, fuel quality testing, vehicle maintenance, educational training, alternative fuel conversion projects, or similar activities in New Mexico.

To participate in the program, eligible applicants must submit proposals within specified dates as determined by EMNRD. If a proposal is selected for funding, the applicant will be required to enter into a professional services agreement or joint powers agreement with EMNRD to conduct the designated project. Approximately \$250,000 is available on an annual basis. For more information contact, Louise Martinez, EMNRD, Energy Conservation and Management Division, at (505) 827-5999.

Utility/Private Incentives

Gas Company of New Mexico provides consultations and technical assistance to customers considering converting vehicles to run on compressed natural gas (CNG). The contact person for conversions is Doug Taylor at (505) 241-7725. The Gas Company of New Mexico offers special rates of 5¢/therm for transportation of natural gas to a customer's CNG station (a minimum 50% discount from regular rates). The Gas Company of New Mexico operates 7 public CNG stations. At the time of publication, the Gas Company of New Mexico was revisiting the issue of offering rebates for the purchase of CNG vehicles. Contact Rick Gillis at (505) 241-2335 for more information on CNG stations, special rates, and rebates.

Laws & Regulations

The state authorized a \$5 million loan fund for AFV conversions by state agencies, institutions of higher learning, and school districts. However, the legislature has not yet appropriated any money for this fund.

New Mexico has exempted CNG, when used as a transportation fuel, from Public Service Commission jurisdiction.

Public Law 92-58, the Alternative Fuel Conversion Act, requires that 100% of new state and post-secondary institution fleet vehicles must operate on alternative fuels as of model year 1996, less authorized exemptions.

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Laws & Regulations (cont.)

The Alternative Fuels Tax Act, passed in 1995, provides tax incentives for alternative fuels. A tax of 12¢/gallon for all alternative fuels will be implemented over a 6-year period, compared to a fuel tax of 16¢/gallon for gasoline and 18¢/gallon for diesel.

<u>Year</u>	<u>Alternative Fuels Tax</u>
1996, 1997	3¢/gallon
1998, 1999	6¢/gallon
2000, 2001	9¢/gallon
2002 and beyond	12¢/gallon

House Bill 462 (1993) provides that instead of paying the per gallon road tax, owners of AFVs can purchase an annual fuel tax decal for a flat fee based on the gross vehicle weight (gvw) up to 54,000 gvw. For example, the fee for a passenger car would be \$15/year.

For more information about New Mexico alternative fuel laws and regulations, contact Richard Leonard, New Mexico General Services Department at (505) 827-2141.

Points of Contact

Albuquerque Clean Cities Coordinator

Mike Minturn (505) 768-5357

New Mexico State Energy Office

Energy, Minerals, and Natural Resources Department
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Gas Company of New Mexico

Rick Gillis (505) 241-2335
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New Mexico General Services Department

Richard Leonard (505) 827-2141

Metropolitan Planning Organizations

Middle Rio Grande Council of Governments

Loretta Tollefson (505) 247-1750

New Mexico State Transportation Contact

State Highway and Transportation Department
Scott Smith (505) 827-5522

U.S. Department of Energy

Regional Support Offices

Dallas Regional Support Office
William Jernigan (214) 767-7182

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U.S. Department of Transportation Contacts

Federal Highway Administration

Region 6
George Hadley (817) 334-3235

Federal Transit Administration

Region 6
Blass Uribe (817) 860-9663

General Services Administration

Regional Fleet Manager

Region 7
Virlene Griffin (817) 334-2381

U.S. Environmental Protection Agency

Regional Pollution Prevention Coordinators

Region 6
Rob Lawrence (214) 665-6580
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